

Message Text

CONFIDENTIAL

PAGE 01 ROME 13741 041851Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 SSO-00 EURE-00 INRE-00 NSCE-00 USIE-00

AID-05 CIAE-00 COME-00 EB-12 FRB-03 INR-11 NSAE-00

RSC-01 TRSE-00 XMB-07 OPIC-12 SP-03 CIEP-03 LAB-06

SIL-01 OMB-01 PM-07 H-03 L-03 NSC-07 PA-04 PRS-01

SS-20 STR-08 DRC-01 NIC-01 /146 W
----- 002484

O R 041756Z OCT 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC NIACT IMMEDIATE 7304

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

USMISSION USNATO BRUSSELS

DIA WASHDC

C O N F I D E N T I A L ROME 13741

DIA FOR A2 AND D15

PASS TREASURY

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: ITALIAN GOVERNMENT CRISIS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 13741 041851Z

REF: ROME 13661

SUMMARY. FOLLOWING RESIGNATION OF RUMOR GOVERNMENT, PARLIAMENT HAS ADJOURNED FOR DURATION OF CRISIS. PRESIDENT LEONE'S CONSULTATIONS PRIOR TO DESIGNATING A FORMATEUR SCHEDULED BEGIN OCTOBER 7. IN INITIAL REACTIONS TO CRISIS ALL COALITION PARTIES, INCLUDING PSDI WHICH PRECIPITATED IT, HAVE CAREFULLY AVOIDED FORECLOSING POSSIBILITY OF FORMING NEW CENTER-LEFT, AND, ALTHOUGH CONCERNED AT POSSIBILITY OF NEW NATIONAL ELECTIONS, ARE NOT CERTAIN THEY CAN BE FORESTALLED. NEGOTIATIONS ATTEMPTING RE-ESTABLISH A CENTER-LEFT FORMULA LIKELY BE MOST DIFFICULT GIVEN DIVERGENT DEMANDS OF PSI VIS-A-VIS OTHER CENTER-LEFT PARTNERS. END SUMMARY.

1. FOLLOWING RESIGNATIONS OF HIS GOVERNMENT, PREMIER RUMOR WILL REMAIN IN OFFICE FOR CONDUCT OF ROUTINE ADMINISTRATIVE MATTERS UNTIL A NEW GOVERNMENT FORMED. LEONE FORMALLY BEGINS RITUAL ROUND OF CONSULTATIONS OCTOBER 7. PARLIAMENT ADJOURNED TODAY FOR DURATION OF CRISIS BUT ONE OR BOTH CHAMBERS CAN BE CONVOKED DURING THIS PERIOD FOR URGENT BUSINESS.

2. CHRISTIAN DEMOCRATIC POSITION OUTLINED TODAY IN ITS PARTY ORGAN, IL POPOLO, EMPHASIZES GRAVITY OF CRISIS, WHICH WAS LOOMING EVEN PRIOR LEONE VISIT TO US, BUT TAKES LINE THAT CENTER-LEFT FORMULA IS NOT DEAD AND THAT RECOURSE TO EARLY ELECTIONS IS NOT WAY TO DEAL WITH CURRENT ECONOMIC PROBLEMS.

3. SOCIALIST PARTY REACTION REAFFIRMS ITS VIEW THAT EARLY ELECTIONS WOULD BE QUOTE MAD ADVENTURE UNQUOTE AND THAT ONLY REAL ISSUE IS ECONOMIC. PSI ACCEPTS ECONOMIC STABILIZATION IN PRINCIPLE BUT CALLS FOR MODIFICATIONS INCLUDING SELECTIVE CREDIT EASING TO OBVIATE THREAT OF UNEMPLOYMENT AND HELP INSURE SACRIFICES NOT FALL MAINLY ON WORKERS. PSI AIMS ACHIEVE THESE ENDS THROUGH CONFRONTATION WITH DC.

4. REPUBLICANS (PRI) EXPRESS REGRETS REGARDING TANASSI MOVE WHICH THEY FEEL HAS FOCUSED THE INEVITABLE CRISIS ON POLITICAL QUESTIONS, RATHER THAN ECONOMIC POLICY AS THEY WOULD HAVE PREFERRED. PRI SECRETARY LA MALFA OCTOBER 3 DISCOUNTED
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 13741 041851Z

WIDE LEFTIST PRESS SPECULATION THAT LEONE VISIT TO US ACCELERATED OR PROVOKED CRISIS, SAID THAT ATTEMPT MUST BE MADE TO REFORM CENTER-LEFT, BUT HELD LITTLE HOPE THAT IT WOULD SUCCEED.

5. SOCIAL DEMOCRATS, WHOSE ATTACK BY TANASSI ON PSI FOR HAVING QUOTE DESTROYED CENTER-LEFT UNQUOTE TRIGGERED CRISIS, ARE NOW CONFRONTED WITH DISSENT WITHIN OWN RANKS OVER

TANASSI'S BOMBSHELL SPEECH. EX-PRESIDENT SARAGAT, LEADER OF PSDI LEFT, HAS ISSUED STRONG STATEMENT EMPHASIZING NEED RETAIN CENTER-LEFT FORMULA AS QUOTE IDEAL BARRIER UNQUOTE AGAINST PCI, AND WARNING THAT ANY ATTEMPT TO RE-FORM A CENTER-RIGHT GOVERNMENT WOULD DANGEROUSLY POLARIZE THE COUNTRY AND LEAD TO RISK-LADEN EARLY ELECTIONS. TANASSI STATEMENT TODAY PARTIALLY RE-OPENED DOOR TO RESTORATION OF CENTER-LEFT FORMULA PROVIDED THAT IT RETURN TO ITS QUOTE ORIGINAL SPIRIT UNQUOTE.

6. ITALIAN COMMUNIST PARTY (PCI) COMMUNIQUE ISSUED TODAY BLAMES CRISIS ON FAILURE OF DC TO RESPOND TO SERIOUS PROBLEMS CONFRONTING COUNTRY AND STRONGLY REJECTS IDEA OF NEW ELECTIONS WHICH WOULD PARALYZE COUNTRY AT A CRUCIAL POINT IN TIME. INSTEAD, PCI REPEATS ITS CALL FOR NEW DEPARTURES IN METHOD OF GOVERNING, AND DEMANDS THAT NOTHING INTERFERE WITH SCHEDULED SPRING REGIONAL ELECTIONS.

7. POSSIBLE SCENARIOS FOR FUTURE ARE MANIFOLD. ONE TYPICAL AND PLAUSIBLE ONE SUGGESTED TO US BY TOP PSDI LEADERS WOULD ENTAIL EXPLORATORY MANDATE BY LEONE TO SENATE PRESIDENT SPAGNOLLI OR OTHER DC FIGURE TO DETERMINE WHETHER ATTEMPT TO RE-CONSTRUCT CENTER-LEFT WOULD BE WORTHWHILE. SPAGNOLLI WOULD REPORT BACK AFFIRMATIVELY AND LEONE WOULD MANDATE A MAJOR DC LEADER, LIKELY FANFANI OR PICCOLI, TO ATTEMPT TO STITCH COALITION BACK TOGETHER AGAIN. HOWEVER, SAME PSDI SOURCES PREDICT SUCH ATTEMPT WOULD FAIL AND THAT EARLY ELECTIONS, POSSIBLY IN MID-WINTER, WOULD THEN BECOME INEVITABLE.

8. COMMENT. IT IS TOO EARLY TO MAKE USEFUL PREDICTIONS REGARDING THE PROBABLE OUTCOME. THE MAJOR DIVERGENCIES LIE BETWEEN THE SOCIALISTS AND THE OTHER THREE PARTIES OF THE CONFIDENTIAL

CONFIDENTIAL

PAGE 04 ROME 13741 041851Z

COALITION: IMPLEMENTATION OF THE ECONOMIC STABILIZATION PROGRAM, THE CLOSELY RELATED ISSUE OF THE NATURE AND EXTENT OF COMMUNIST PARTICIPATION IN GOVERNMENTAL PROCESSES, INCREASING COLLABORATION WITH THE PCI AT THE LOCAL LEVEL, AND TO A LESSER EXTENT FOREIGN POLICY ISSUES, E.G., POSSIBLE ENLARGEMENT OF ITALY'S MILITARY ROLE IN NATO, AND ITALY'S ROLE IN THE MEDITERRANEAN. HOWEVER, THE PROTAGONISTS HAVE YET TO CLEARLY DEFINE THEIR POSITIONS ON THESE CRUCIAL ISSUES, EVEN IN THEIR OWN CAMPS. THAT FACT, AND THE WIDENING DIVERGENCIES OF THE PAST FEW MONTHS BETWEEN THE PSI (OFTEN BACKED BY THE DC LEFT) AND THE OTHER CENTER-LEFT PARTIES, INSURE THAT THE CRISIS WILL BE DIFFICULT AND, LIKELY, PROLONGED. ITALY THUS ONCE AGAIN FINDS ITSELF IN A POLITICAL CRISIS. ONE ESSENTIALLY UNWANTED AND EVEN FEARED BY MOST POLITICAL LEADERS. BEAUDRY

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CABINET, POLITICAL SITUATION, POLITICAL PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME13741
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740281-0849
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741072/aaaacjgs.tel
Line Count: 169
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: ROME 13661
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by boyleja>; APPROVED <24 JUL 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN GOVERNMENT CRISIS CONFIDENTIAL
TAGS: PINT, IT
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005